

REPAYMENT AGREEMENT  
BETWEEN THE STATE OF MICHIGAN  
AND  
PROFESSIONAL DENTAL CENTER  
(Formerly Northeast Dental Group)  
AND  
EASTLAND DENTAL CENTER  
(Formerly Eastland Dental Group)

**PARTIES:** There are three parties to this agreement. The creditor is the State of Michigan, Department of Attorney General and Department of Community Health, which are also referred to as the "State of Michigan." The debtors are Professional Dental Center (Northeast) and Eastland Dental Center (Eastland).

**THE DEBT:** Debtors understand and acknowledge that the State of Michigan has determined that debtors received an overpayment of \$36,854.40 (thirty six thousand, eight hundred and fifty four dollars and forty cents) from Medicaid for the period of January 1, 2000 to December 31, 2005. A statement of the amount due is set forth in Attachment A to this agreement. Debtors agree that the amount due is a liquidated debt and debtors will pay this entire amount, plus any additional sum that may result from default, in the manner set forth below. Debtors further agree that it will not contest the amount due by any means whatsoever, including by administrative or judicial proceeding.

**PAYING THE DEBT:** Debtors agree to make monthly cash payments until the debt is paid in full. Debtors will pay the balance of \$36,854.40 (thirty six thousand, eight hundred and fifty four dollars and forty cents) in monthly payments of \$2,000.00 (two thousand dollars.) Debtors' final payment will be in the amount of \$2,854.40. Payments are due on the 1st of each month beginning February 1, 2006 and continuing until paid in full. Debtors agree that the balance will be paid in full no later than August 1, 2007. Unless there is a default by the debtors, no interest shall accrue on the unpaid indebtedness.

**OFFSET:** The State of Michigan may withhold any refund (including state income tax) or payment (including lottery winnings) to which debtors may be entitled from the State of Michigan as additional payment on this debt.

**DEFAULT:** Debtors' failure to make a payment specified in this agreement for more than 60 days beyond the date it was due constitutes default. Default includes payment by check or other instrument that is not honored when presented at the bank or financial institution on which it is drawn, or is otherwise found to be nonnegotiable.

If debtors default or if the State determines that collection of this debt is endangered, permission to make installment payments may be withdrawn, and the entire debt will then be due immediately. In the event of default or the State's declaration that collection is endangered, the debt may be referred to the Department of Treasury or private collection agencies and collected by any means necessary and appropriate. This includes, but is not limited to, any of the

following: (a) a levy on disposable earnings or assets to the extent not prohibited in section 303 of the Consumer Credit Protection Act, 15 USC 1673 (if wages are levied, the levy will continue until the debt is paid in full); (b) seizure of property without further notice; (c) submission to the Federal Treasury for collection action; and (d) legal action resulting in a judgment against the debtors for the full amount of the debt, which will adversely effect debtors' credit rating.

If debtors default on the conditions of this agreement for more than 60 days, the State may also, in its sole discretion: (1) declare the release set forth in this agreement null and void; (2) add as an additional amount due under this agreement, interest at the judgment rate on the entire amount originally due from the date the individual payments from Medicaid were tendered to debtors; and (3) impose additional processing fees.

**RELEASE:** Subject to debtors' compliance with all the terms of this agreement the State (on behalf of their respective officers, agents, agencies, and departments) agrees to release debtors and its officers, members, managers, directors, shareholders, employees, successors, and assigns from any civil or administrative monetary claim the State has or may have under the Medicaid False Claims Act, MCL 400.601 *et seq.*, or under common law theories of breach of contract, unjust enrichment, fraud, or any other civil statute through common law theories, for recovery of the debt.

Notwithstanding any term of this agreement, specifically reserved and excluded from the scope and terms of release as to any entity or person (including Debtors) are all of the following: (1) any liability to the State (or its agencies) for any conduct other than that related directly to incurring the debt; (2) any criminal liability other than that arising directly from incurring the debt; and (3) any administrative action, other than recovery of the debt, by any State or Federal agency as a result of entering into this agreement or the result of any other legal action.

Debtors fully releases the State, its agencies, employees, servants, and agents from any claims (including attorneys fees, costs, and expenses of every kind and however denominated) that debtors asserted, could have asserted, or may assert in the future against the State, its agencies, employees, servants, and agents related to the debt and the State's investigation and prosecution thereof.

This agreement is intended to be for the benefit of the Parties only; the Parties do not release any claims against any other person or entity.

**SOLVENCY:** Debtors expressly warrant that it has reviewed its financial situation and that it is solvent, and expressly warrants that it can satisfy the financial obligations under this agreement. Debtors further warrant that its commitments under this agreement will not cause it to become insolvent.

**BANKRUPTCY:** Before the obligations under this agreement are satisfied, if the Parties, including debtors or a third party, commences any case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have any order for relief of debtors' debts, or seeking to adjudicate debtors as bankrupt or insolvent, or

seeking appointment of a receiver, trustee, custodian, or other similar official for debtors, for all or any substantial part of debtors, the parties agree as follows:

- 1) The individual debtors agree to personally pay any debt remaining as a result of the failure or inability of debtors' companies to make full payment under the terms of this agreement. The individual debtors further agree that they will be responsible for any remaining debt in the same amount as indicated by their ownership interest in the debtors' companies, being [set forth ownership interests or delete if no individual debtors].
- 2) Debtors' obligations under this agreement may not be avoided under 11 U.S.C. Section 547, and debtor will not argue or otherwise take the position in any such case, proceeding or action that: (a) debtors' obligations under this agreement may be avoided under 11 U.S.C. Section 547; (b) debtors were insolvent at the time this agreement was entered into, or became insolvent as a result of the payment made to the State of Michigan hereunder; or (c) the mutual promises, covenants and obligations set forth in this agreement do not constitute a contemporaneous exchange for new value given to debtors.
- 3) In the event that debtors' obligations under this agreement are avoided for any reason, including, but not limited to, the exercise of a trustee's avoidance powers under the Bankruptcy Code, the State of Michigan, at its sole option, may rescind the releases in this agreement, and bring any civil or administrative claim, action or proceeding against debtors or the Parties. If the State of Michigan chooses to do so, debtors agree that: (a) any such claims, actions, or proceedings brought by the State (including any proceedings to exclude debtors from participation in the Medicaid Program) are not subject to an "automatic stay" under 11 U.S.C. Section 362(a) as a result of the action, case, or proceeding described in the first clause of this section; (b) debtors will not plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any such civil or administrative claims, actions, or proceedings brought by the State of Michigan within thirty calendar days of written notification to debtors that the releases under this agreement have been rescinded.

**CONSIDERATION AND LEGAL COUNSEL:** The Parties acknowledge that this agreement is made in exchange for valuable consideration. Debtors have consulted an attorney, or had the opportunity to consult with an attorney, before executing this agreement. Debtors are signing this agreement of their own free will, and no threat, duress, or coercion has been used to compel debtors to enter into this agreement.

**COMPLETE AGREEMENT:** This agreement contains the full and complete agreement between the Parties and shall not be modified in any manner except by written instrument executed by the Parties.

**AUTHORITY TO EXECUTE THIS AGREEMENT:** The person signing this agreement on behalf of debtors represent and warrant that he has authority to execute this agreement on behalf of the debtors and that all necessary approvals have been obtained by any governing body of the debtors prior to signature.

**EFFECTIVE DATE:** This agreement is effective on the date of the final signature.

Subscribed and sworn to before me  
this 13th day of January 2006

Debtor Professional Dental Center

By: \_\_\_\_\_

Anthony Tiberio, D.D.S.

Owner

Date: \_\_\_\_\_

Julie A. Wiles  
\_\_\_\_\_, Notary Public  
Macomb County, Michigan  
My Commission Expires: 4/29/2008

JULIE A WILES  
Notary Public, Macomb County, MI  
Acting in Macomb Co., MI  
My Commission Expires 04/29/2008

Subscribed and sworn to before me  
this 16th day of JANUARY 2006

Debtor Eastland Dental Center

By: \_\_\_\_\_

Gianfranco Tiberio, D.D.S.

Owner

Date: 1/16/06

Carl Mitchell  
\_\_\_\_\_, Notary Public  
WAYNE County, Michigan  
My Commission Expires: 2011

CARL MITCHELL  
NOTARY PUBLIC, STATE OF MI  
COUNTY OF MACOMB  
MY COMMISSION EXPIRES Jun 18, 2011  
ACTING IN COUNTY OF WAYNE

Subscribed and sworn to before me  
this 6th day of February 2006

State of Michigan, Department of Attorney

General

By: \_\_\_\_\_

Jessica L. Frazier

Assistant Attorney General

Date: 2/6/06

Rhonda G. Floyd  
\_\_\_\_\_, Notary Public  
\_\_\_\_\_, County, Michigan  
My Commission Expires: \_\_\_\_\_

RHONDA G. FLOYD  
NOTARY PUBLIC EATON CO., MI  
MY COMMISSION EXPIRES Feb 11, 2008  
ACTING IN INGHAM COUNTY, MI